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FISCAL IMPACT REPORT

ORIGINAL DATE 2/06/2006

SPONSOR Garcia LAST UPDATED _____ HB _____

SHORT TITLE Agricultural Producers Economic Development SB 716

ANALYST Earp

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$150.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 287 and SB's 26, 153, 455

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

New Mexico Department of Agriculture (NMDA)

SUMMARY

Synopsis of Bill

Senate Bill 716 appropriates \$150,000 from the general fund to the Board of Regents of New Mexico State University (NMSU) for the NMDA International Institute for Collaborative Solutions (IICS) to create economic development opportunities for small agricultural producers and cooperatives.

FISCAL IMPLICATIONS

The appropriation of \$150,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

It is noted that NMDA received an appropriation of \$71,300 in Chapter 34, Laws of 2005 (Sen-

ate Bill 190) for a small farm initiative. As of the date of this analysis, a portion of this funding has been incorporated in the General Appropriation Act (HAFCS/HB2 et al) as a component of a recurring lump-sum appropriation for special projects expansion.

SIGNIFICANT ISSUES

This proposal was not included among the special program funding requests submitted by NMSU to HED for review. Consequently, this proposal has not been included in the HED fiscal year 2007 funding recommendations to the Legislature.

ADMINISTRATIVE IMPLICATIONS

This appropriation would continue an existing initiative at NMDA. No significant additional administrative impact is anticipated.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate Bill 716 is related to SB26 and HB287. These are duplicate bills that appropriate \$500,000 to provide teaching, research and extension services to small organic farmers by the small farm institute.

This bill is related to SB153 which requests \$1,400,000 to expand NMDA programs and services, and to SB455 which requests funding for economic development of value-added agriculture enterprises in rural communities.

OTHER SUBSTANTIVE ISSUES

NMDA reports that it currently supports New Mexico agriculture producers in many areas of production, marketing, and economic development. NMDA also supports the agriculture industry by facilitating and mediating important natural resource policy issues through the International Institute for Collaborative Solutions (IICS). The IICS provides facilitation and mediation for issues related to water resources, conservation, international contracts, legal business requirements, and conflict resolutions services. This appropriation would allow NMDA to assist small producers and cooperatives to create economic development opportunities for particular niches in the areas of marketing products, value-added processing, entry into emerging markets, and enhancement of rural economic development for small-scale and nontraditional agriculture. The IICS would create a coordinating entity for these efforts within these groups of producers. This coordinating entity would then provide assistance to small producers and agricultural cooperatives in the promotion of their products along with identification of funding opportunities for creation of cooperatives.

DKE/nt:yr